

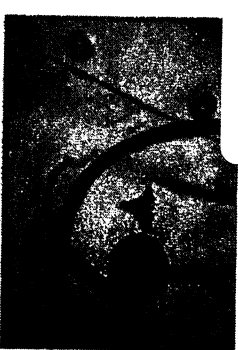
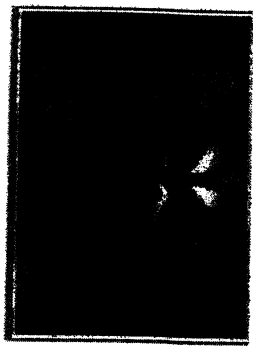
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DEPARTMENT OF HEALTH AND HUMAN SERVICES  
CENTERS for MEDICARE & MEDICAID SERVICES  
Center for Consumer Information and Insurance Oversight

State Exchange Grantee Meeting  
September 19-20, 2011

upon as an interpretation of Medicare and Medicaid law. The Centers for Medicare & Medicaid Services (CMS) will address all issues of exceptions are fully addressed.



# Overview

- Exchange Guidance
- Core Functions of an Exchange
- HHS Support for State-based Exchanges
- Collaborative Resources for States
- Federally-facilitated Exchange
- Partnership Principles and Benefits
- State Operations under Proposed Partnership
- Grant Funding to States
- Timing and Next Steps

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# Exchange Related Guidance Released

<b>IT Guidance</b>	IT Guidance 1.0 and 2.0, Guidance for Exchange and Medicaid Information Technology (IT) Systems Joint release with Medicaid -- Outline Cost Allocation and Funding for IT Systems
<b>Exchange Grant FOAs</b>	Exchange Planning Grant Early Innovator Cooperative Agreements Limited Competition Exchange Planning Grant Territory Cooperative Agreement Exchange Establishment Cooperative Agreement
<b>NPRMs</b>	Establishment of Exchanges and Qualified Health Plans (QHPs) Standards Related to Reinsurance, Risk Corridors and Risk Adjustment Exchange Functions in the Individual Market: Eligibility Determinations and Exchange Standards for Employers
<b>Requests for Input</b>	Basic Health Program, Employer Safe Harbor, Risk Adjustment Definition of Full-Time Employee

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# Upcoming Exchange Related Releases

- Best practices and recommended work plan for State-based Exchange and Partnership Exchange
- Essential health benefits and actuarial value
- Quality
- Oversight and appeals
- Payment notice
- Basic Health Program

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# Five Core Functions of the Exchange

<b>Consumer Assistance</b>	Consumer support assistants; education and outreach; Navigator management; call center operations; website management; and written correspondence with consumers to support eligibility and enrollment.
<b>Plan Management</b>	Plan selection approach (e.g., active purchaser or any willing plan); collection and analysis of plan rate and benefit package information; issuer monitoring; and oversight, ongoing issuer account management, issuer outreach and training; and data collection and analysis for quality.
<b>Eligibility</b>	Accept applications; conduct verifications of applicant information; determine eligibility for enrollment in a Qualified Health Plan and for insurance affordability programs; connect Medicaid and CHIP-eligible applicants to Medicaid and CHIP; and conduct redeterminations and appeals.
<b>Enrollment</b>	Enroll eligible consumers into qualified health plans; transactions with Qualified Health Plans and transmission of information necessary to initiate advance payments of the premium tax credit and cost sharing reductions.
<b>Financial Management</b>	User fees; financial integrity; support of risk adjustment, reinsurance, and risk corridor programs.

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# HHS Support for State-Based Exchanges

- HHS provides Exchange Grants to support State actions.
- HHS will manage a Data Services Hub or support system to connect to IRS, SSA, and DHS.
- HHS will provide financial management support related to payment processing of financial assistance.
- States can run their own risk adjustment program using their own certified model or the Federal risk adjustment model or allow HHS to run risk adjustment on their behalf.
- HHS will run risk corridors program.

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# Collaborative Resources for States

- Early Innovator States are a resource to other States in a number of areas by:
  - Sharing administrative materials and templates;
  - Publishing business process flows and blueprints;
  - Posting planned system architecture and implementation timelines.
- States can access a web-based environment where States and Early Innovators can share documents and processes.
- States can participate in small groups focused on working through issues/concerns and sharing best practices.

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# Federally-facilitated Exchange

- Federally-facilitated Exchange will perform core functions comparable to State-based Exchanges, including consultation with stakeholders.
- Federally-facilitated Exchange will make decisions where Exchanges have flexibility, including areas such as network adequacy and marketing.
- HHS will look to State standards to harmonize rules inside and outside of the Exchange.
- HHS can charge issuers user fees to run the Federally-facilitated Exchange.
- In fall 2011, HHS will devote resources to procurements for the Federally-facilitated Exchange.

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## Federally-facilitated Exchange (cont'd)

- Federally-facilitated Exchange will work with local stakeholders through the Navigator program and other outreach efforts to educate consumers and small businesses about available options in 2014.
- Federally-facilitated Exchange will determine eligibility for qualified health plans, tax credits, cost sharing reductions, and Medicaid and CHIP eligibility based on modified adjusted gross income.
  - Federally-facilitated Exchange will provide eligibility information to the applicable State agency to enroll those individuals in coverage.
- HHS will solicit input from States when running the Federally-facilitated Exchange.

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# Partnership Principles and Benefits

- Partnerships are Exchanges where both HHS and States operate functions of the Exchange; however, HHS is responsible and accountable for ensuring the Exchange meets all of the standards.
- HHS will maintain and coordinate with States for end-to-end system functionality to ensure a seamless consumer experience.
- States entering into Partnership will agree under the terms of their grants to ensure insurance department, Medicaid, and CHIP cooperation to coordinate business processes, systems, data/information, and enforcement.
- As part of their agreement, States may choose to operate plan management functions and/or some consumer services, using Exchange grant funding to establish functionality, thereby maintaining existing relationships and allowing for easier transitions to State-based Exchanges in future years.

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# Summary of Proposed Partnership: Three Options

- Under the proposed Partnership, States may choose to operate the following Exchange functions:
  - Option 1 – Plan management functions;
  - Option 2 – Selected consumer assistance functions;
  - Option 3 – Both selected consumer assistance & plan management functions.
- Exchange functions other than selected consumer assistance or plan management functions will be performed by HHS under these options.
- As appropriate, HHS will ensure that the Partnership meets all Exchange standards

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# State Option under Partnership: Option 1: Plan Management

- Goal is to let States help tailor health plan choices for their State's Exchange.
- Plan management functions include (but are not limited to) –
  - Plan selection;
  - Collection and analysis of plan rate and benefit package information;
  - Ongoing issuer account management;
  - Plan monitoring, oversight, data collection and analysis for quality.
- Under this proposed option for plan management, the State helps select plans and collects a standardized set of data on them to plug into Federally-facilitated Exchange's eligibility and enrollment functions.
- HHS coordinates with the State regarding plan oversight, including consumer complaints and issues with enrollment reconciliation.

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## State Option under Partnership: Option 2: Consumer Assistance

- Goal is to take advantage of State's experience to support a seamless consumer experience.
- Consumer assistance functions that a State would operate under this proposed Partnership option include:
  - In-person assistance;
  - Navigator management;
  - Outreach and education.
- Consumer assistance functions that HHS would operate under this proposed Partnership option include:
  - Call center operations;
  - Website management;
  - Written correspondence with consumers to support eligibility and enrollment.

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# Availability of Federal Grant Funding to States

## By year and model

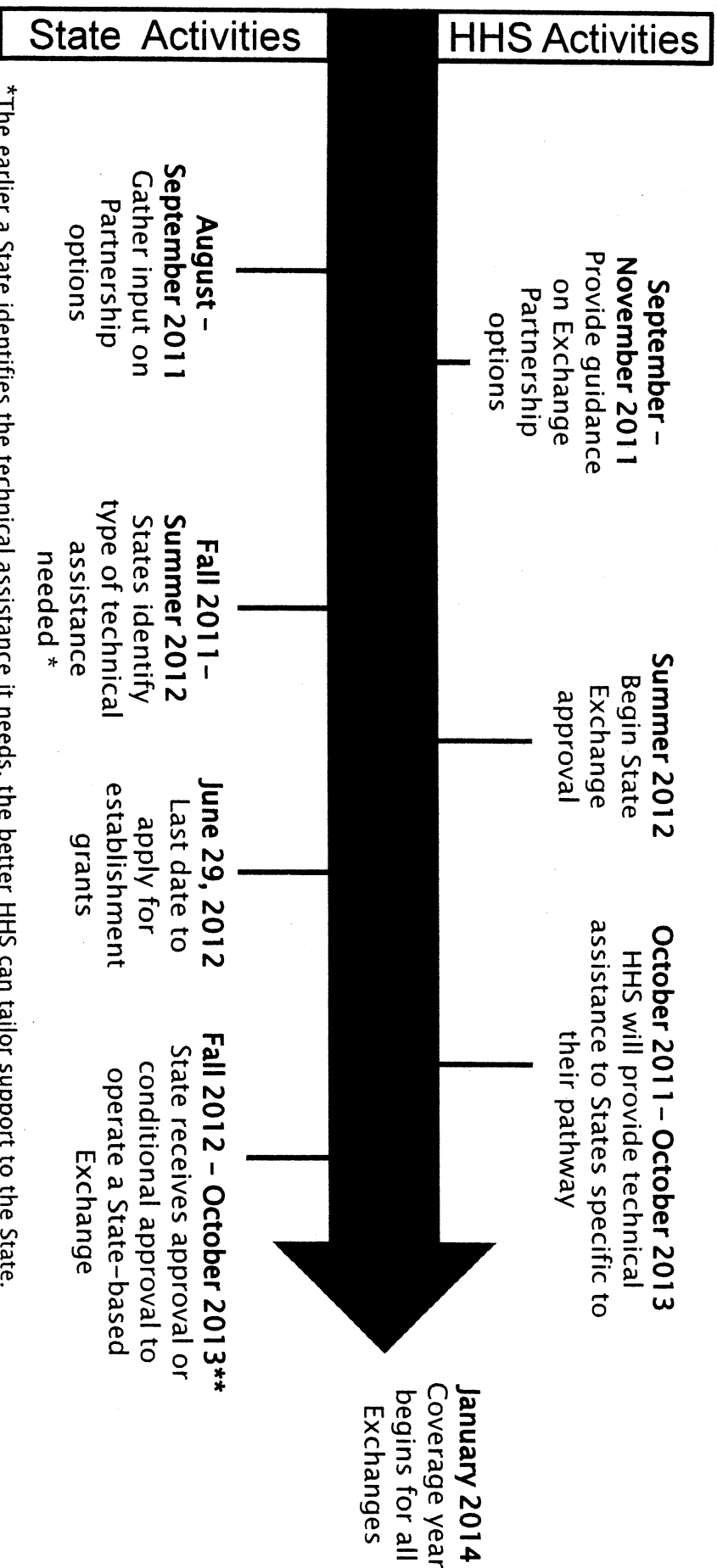
	2012*	2013*	2014	2015
State Exchange	Yes	Yes, if the State is certified or conditionally certified on 1/1/13	Yes if State is fully certified	No
Partnership Exchange	Yes	Yes, to improve/support functions the State will be performing.	Yes, to improve/support functions the State is performing.	No
Federally-facilitated Exchange	Yes	No	No	No

\*In 2012 and 2013, grant funding is available until it is clear that an Federally-facilitated Exchange will operate in the State.

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# Exchange Timeline



\*The earlier a State identifies the technical assistance it needs, the better HHS can tailor support to the State.

\*\*The deadline for conditional or full approval is January 1, 2013. States may move from conditional to full approval after that.

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## Next Steps

- HHS will reach out to States and other stakeholders to receive input on Partnership.
- States and other stakeholders with feedback should submit formal comments through the Exchange proposed rule comment process ending on September 28, 2011.

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